

**CITY OF ZILLAH**  
**Yakima County, Washington**  
**January 1, 1991 Through December 31, 1992**

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**Schedule Of Findings**

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1. City Officials Should Recover Amounts Due The City And Should Comply With City Policies

As reported in our prior audit report for the period 1990 and 1989 the city did not recover the cost of materials from benefiting property owners of the Third Avenue Project.

On February 27, 1989, the city council approved the construction of a sewer line project referred to as Third Avenue. The resolution for this project allowed benefiting property owners the option of paying the customary hookup charges and surcharges with the city absorbing the costs of the project or the property owner paying a prorata share of the cost of project materials with a sewer hookup provided by the city at no charge.

Fourteen benefiting property owners agreed to pay the city a prorata share of the project material costs.

Of these property owners, 13 paid \$1,000 each as an estimated prorata share of the material costs and one of the property owners contributed an extra \$4,000, for which the city council granted four more sewer hookups at no charge. This payment was considerably less than the customary hookup charges and surcharges for four sewer hookups. One owner made only partial payments. Total cost recovery of \$ 17,492.49 was received by the city as of December 31, 1993.

Our current audit found additional material costs for that project bringing the total cost of materials to approximately \$26,633. Based upon this amount the prorata share of the costs is \$1,902 per property owner (14) and \$9,141 (\$26,633 - \$17,492 ) in costs have not been recovered.

Resolution Number 89-04 states in part:

(3) . . . Said property owners shall bear the cost of the expenses for the materials to be used in said sewer construction . . . the cost of materials necessary for construction of the sewer improvements shall be divided on a per capita basis by the number of property owners willing to share said costs.

Each of said participating property owners shall then enter into a written agreement with the city of Zillah regarding the repayment of his or her prorata share of cost . . .

(5) Each property owner participating . . . shall be entitled to hookup one residence to the sewer mainline at no charge. Additional hookups . . . shall be . . . upon payment of the regular charges and surcharges

established by ordinance or resolution.

The city's failure to collect the cost of materials for the project are in violation of the city policies cited above.

City officials indicated that they believed the actions taken were appropriate to resolve this problem.

We again recommend that the city determine the actual cost of materials for the Third Avenue Project and recover the cost of materials on the sewer project from the benefited property owners. We also recommend that future actions of the city council be in compliance with city policies.